Administrator's Mission to Greater China 9 December, 2013 Beijing, China

International Workshop on Motor Fuel Desulfurization

Purpose: To speak at the opening of the International Workshop on Fuel Desulfurization in support of efforts to improve air quality in Chinese cities.

Key Message: The United States supports the announcement by the State Council earlier this year to improve the fuel quality standards nationwide. Our experience is that implementing these ultra low sulfur fuel standards go a long way towards reducing motor vehicle pollution, improving air quality and reducing the effects of climate change. The largest gains in emission reductions will be achieved by moving to China VI standards for vehicles as quickly as possible.

Key Ask: Stay on course and remain committed to the newly established fuel quality standards of 10ppm sulfur or less by the end of 2017 for all gasoline and diesel fuel. Also, consider moving to China VI emission standards for vehicles soon.

Overview/Key Issues: The United Nations Environment Programme (UNEP) and the Chinese Vehicle Emission Control Center (VECC) have organized an international fuel workshop that will occur while you are in Beijing. VECC exists as part of China's Ministry of Environment (MEP). MEP, UNEP, and the USG are key partners in the Partnership for Clean Fuels and Vehicles (PCFV) for which UNEP is the Secretariat and this effort promotes this work.

Along with a speaker from UNEP and from VECC, you will provide opening remarks on the benefits of improving the vehicle fuel standards in China. These new standards will enable state of the art emission reduction technology to be applied to new light-duty vehicle and heavy-duty engines reducing emission levels by over 90% per vehicle. This supports the China State Council's February 2013 tightening of the national motor vehicle fuel standards to lower the sulfur level in both gasoline and diesel fuel to 10 ppm by 2018.

Participants

United Nations Environmental Programme

• Zhang Shigang, Country Coordinator, UNEP China Office

Vehicle Emissions Control Center

• Tang Dagang, Director

EPA/USG Attendees:

- U.S. EPA delegation
- Erica Thomas, U.S. Embassy Beijing
- Ming Lei, U.S. Embassy Beijing
- Philip Gatins, U.S. Embassy Beijing

Agenda Summary (TBC):

9:40 – 9:50 VIP Room Meet and Greet

9:50 – 10:10 UNEP, VECC, Administrator McCarthy make opening remarks

10:15 Departure

Background:

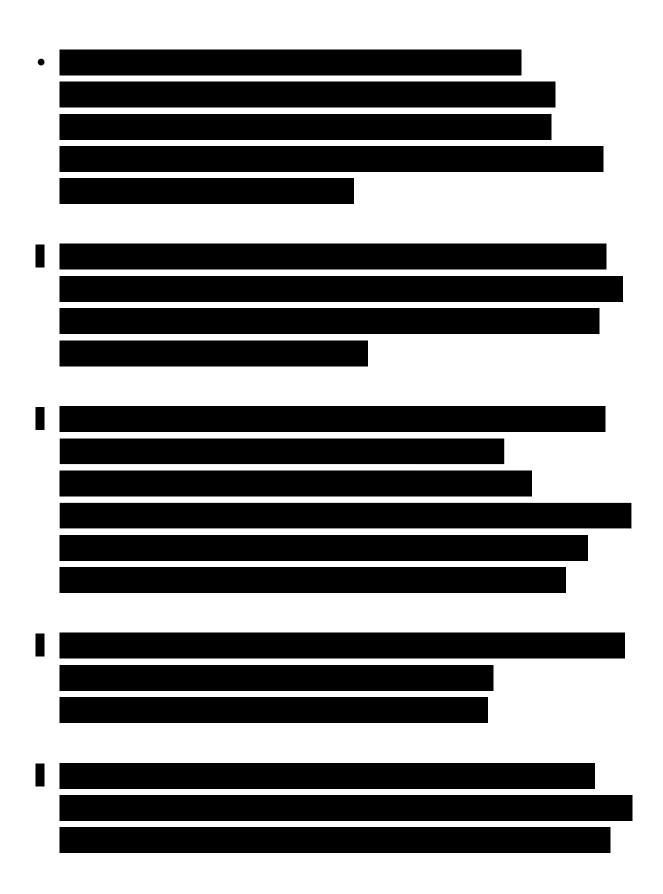
In February 2013, the China State Council announced new national motor vehicle fuel quality standards that will go a long way to improving the environment in China and reducing the effects of climate change. According to the new standards timeline, all gasoline and diesel fuel in China should contain 10 ppm sulfur or less by the end of 2017.

The China State Council's tightening of the national motor vehicle fuel standards is commendable and a welcome change. However, there are already reports of the intent to not meet these new standards by Chinese oil refiners. Unfortunately the lack of effective enforcement measures and the cost of the necessary upgrades to refineries in order to produce the higher quality fuel make success primarily dependent on how receptive these state-owned oil companies are to the State Council's requirements.

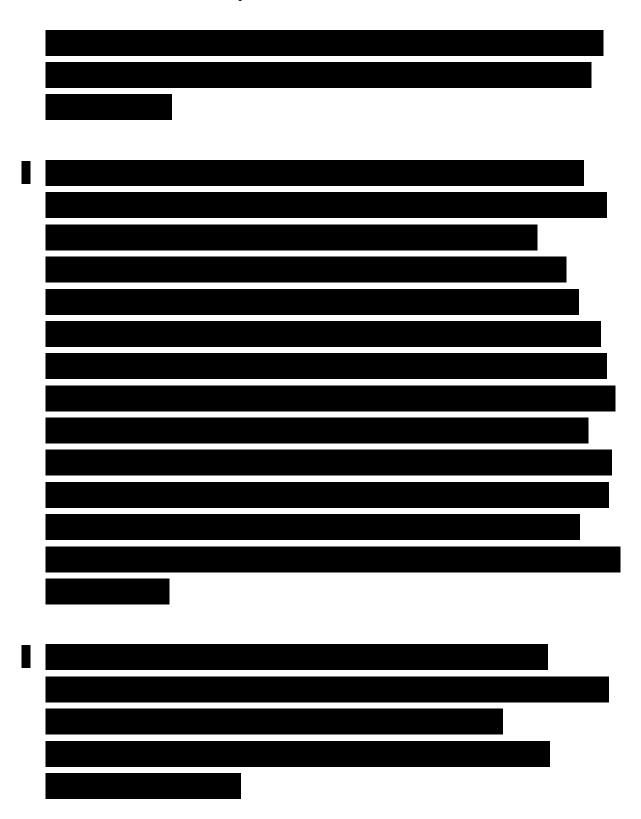
Vehicle emissions play a major role in China's air pollution problem. Older diesel engines emit large amounts of nitrogen oxide (NO_x) and PM2.5. NO_x, which contributes to both ozone and particulate formation, as well as directly emitted PM2.5, can lead to serious health conditions such as triggering asthma and worsening heart and lung disease. These engines also emit significant amounts of black carbon (BC), which contributes significantly to global climate change. China's heavy-duty vehicles account for over half of China's transportation fuel use, making this sector a major contributor to China's overall greenhouse gas (GHG) emissions. The cleaner fuels as mentioned above would enable Chinese vehicles to utilize state of the art vehicle emissions reduction technologies (particulate filters) that could reduce PM2.5 and BC emissions by over 90% per vehicle.

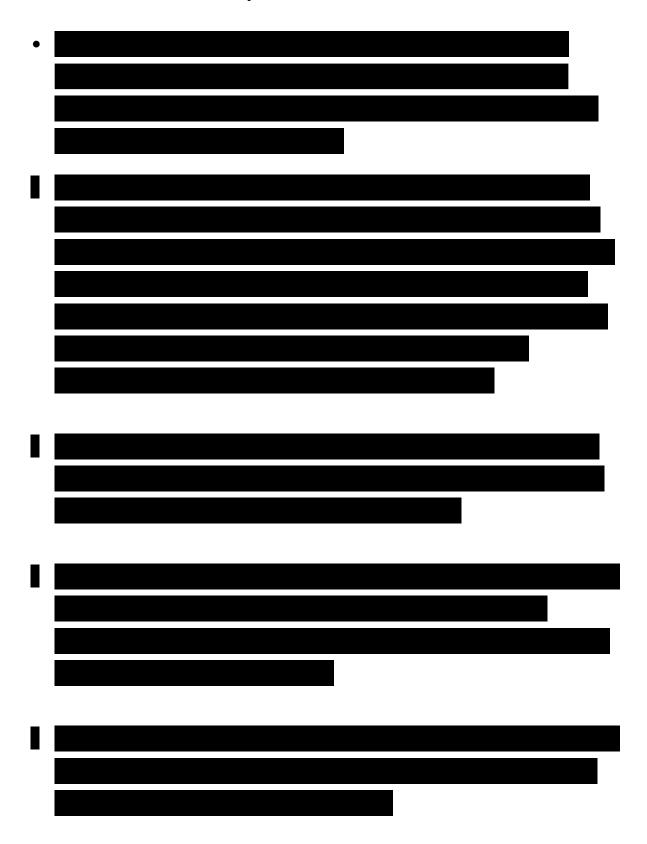
MEP, UNEP, and the United States Government have been key partners in the Partnership for Clean Fuels and Vehicles (PCFV) since its inception in 2002 and UNEP hosts the PCFV Secretariat. One of the targets of the PCFV is to reduce small particulate matter pollution through the introduction of cleaner fuels and vehicles. VECC-MEP, EPA, UNEP, and other PCFV partners have successfully been working in China to support efforts to promote cleaner fuels and vehicles.

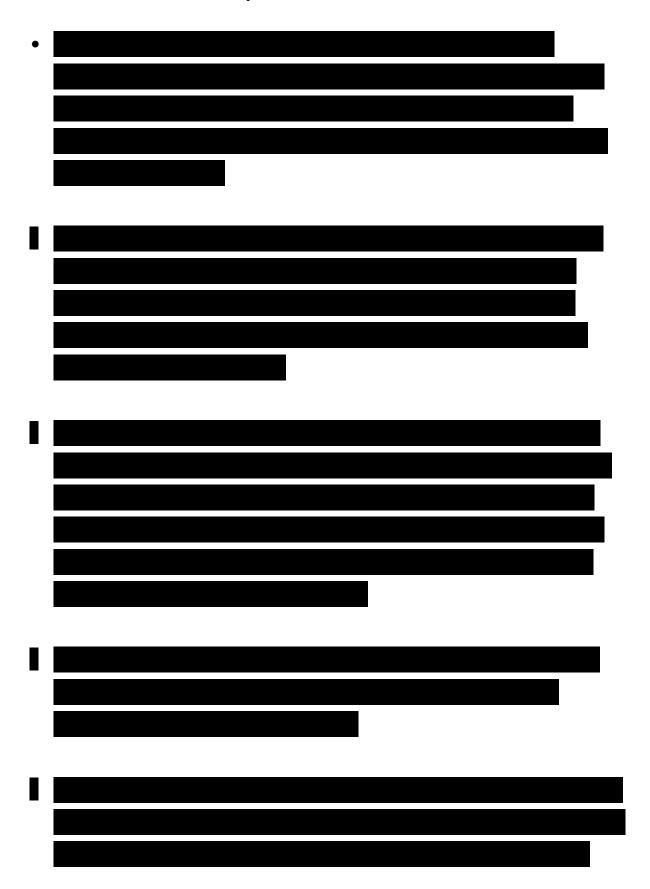
Administrator's Remarks	[All redactions that follow are based on Exemption 5]
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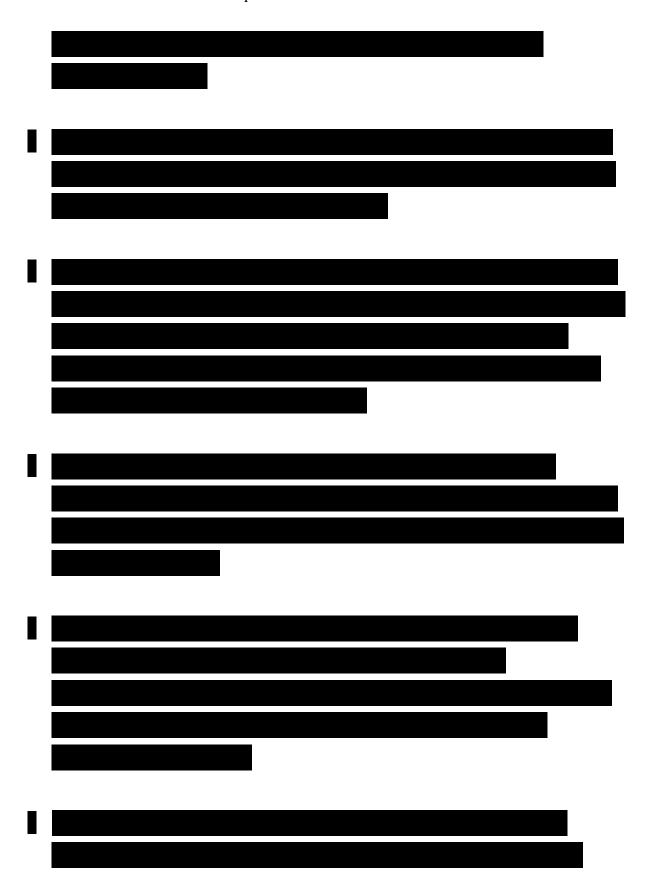
Tab G Fuel Desulfurization Workshop







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